

## Message Text

CONFIDENTIAL

PAGE 01 EC BRU 01329 091844Z

66

ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 XMB-02 /059 W

----- 122602

R 091716Z FEB 76

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 477

INFO ALL EC CAPITALS 1650

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

C O N F I D E N T I A L EC BRUSSELS 01329

NOFORN

DEPT. PASS TREASURY AND EXIMBANK

E.O. 11652: GDS

TAGS: EFIN, ETRD, EEC

SUBJECT: TEXT OF EC COMMISSION REQUEST FOR AUTHORITY TO NEGOTIATE A  
GENTLEMEN'S AGREEMENT

REF: (A) EC BRUSSELS 1222, (B) EC BRUSSELS 676 (C) 75 EC BRUSSELS  
11474, (D) 75 EC BRUSSELS 4312

1. BEGIN SUMMARY: THE TERMS OF THE COMMISSION'S PROPOSED MANDATE TO  
NEGOTIATE AN EXPORT CREDIT GENTLEMEN'S AGREEMENT ARE SIMILAR TO THOSE  
OF THE MAY 1975 GERBERTH COMPROMISE PROPOSAL (SEE REF D).THE COMMISSION

PROPOSES THAT PARTICIPANTS ADHERE TO THE AGREEMENT THROUGH PARALLEL  
UNILATERAL DECLARATIONS. END SUMMARY.

2. THE MISSION HAS OBTAINED A COPY OF THE COMMISSION'S CONFIDENTIAL  
REQUEST TO THE EC COUNCIL FOR AUTHORITY TO NEGOTIATE AN EXPORT CREDIT  
GENTLEMEN'S AGREEMENT. THE COMMISSION-PROPOSED NEGOTIATING MANDATE  
INCLUDES THE FOLLOWING PROVISIONS: THE GENTLEMEN'S AGREEMENT WOULD BE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 EC BRU 01329 091844Z

AN INTERNATIONAL ARRANGEMENT WHICH WOULD TAKE EFFECT THROUGH

UNILATERAL DECLARATIONS BY THE PARTICIPATING COUNTRIES. ITS DURATION WOULD BE FOR A TRIAL PERIOD OF 18 MONTHS. BEFORE THE END OF THE TRIAL PERIOD, EACH PARTICIPANT COULD DECLARE UNILATERALLY THAT THE PERIOD IS EXTENDED TO FIVE YEARS.

3. RECIPIENT COUNTRIES WOULD BE BROKEN INTO THREE GROUPS ACCORDING TO PER CAPITA GNP: (1) \$1000 AND LESS; (2) MORE THAN \$1000 TO \$3000; AND (3) OVER \$3000. THE MAXIMUM MATURITY PERIODS OF CREDITS WOULD BE: (1) FIRST GROUP, 10 YEARS; (2) SECOND GROUP, 8.5 YEARS; AND (3) THIRD GROUP, 5 YEARS. MINIMAL LEVELS OF INTEREST RATES WOULD BE FIXED FOR ALL CREDITS WITH A MATURITY PERIOD LONGER THAN TWO YEARS. THE RATE FOR CREDITS OF 2-5 YEARS' DURATION WILL BE DIFFERENT FROM THE MINIMUM RATES FOR LONGER-TERM CREDITS. THE DIFFERENT MINIMUM RATES WILL BE BETWEEN 7-9 PERCENT; THESE MINIMA WILL APPLY SOLELY TO NET INTEREST RATES. THE MINIMUM DOWNPAYMENT FOR THE FIRST AND SECOND GROUP OF RECIPIENT COUNTRIES WILL BE 15 PERCENT; FOR THE THIRD, 20 PERCENT.

4. EXCEPTIONS MAY BE MADE TO THE MATURITY LIMITS FOR OECD SECTORAL AGREEMENTS AND, AFTER PRIOR CONSULTATIONS, FOR OTHER CLEARLY- DEFINED BUT LIMITED CASES. THE MATURITY LIMITS OF CERTAIN TYPES OF CREDITS MAY NOT BE EXTENDED. (COMMENT: THESE TYPES OF CREDITS ARE NOT SPECIFIED.) DEVELOPMENT AID WOULD NOT BE COVERED BY THE AGREEMENT. THE AGREEMENT WILL INCLUDE HOW THE INTEREST RATE FOR PUBLIC CREDITS IS TO BE DEFINED. OTHER COUNTRIES MAY ALIGN THEIR CREDIT TERMS WITH THOSE OF THE AGREEMENT AS LONG AS THE INITIAL EXPIRATION DATE HAS NOT BEEN PASSED. PARTICIPANTS MAY MATCH THEIR TERMS WITH THOSE OF COUNTRIES NOT PARTICIPATING IN THE AGREEMENT.

5. A MEETING OF PARTICIPANTS WILL BE HELD EACH YEAR TO REVIEW THE AGREEMENT. EACH PARTICIPANT AT ANY TIME MAY SUGGEST MODIFICATIONS OR CONSULTATIONS. THE PARTICIPANTS WILL ENCOURAGE OTHER COUNTRIES TO DECLARE UNILATERALLY THEIR ACCEPTANCE OF THE AGREEMENT. PARTICIPANTS, HOWEVER, WILL MEET BEFORE CHANGING THE ORIGINAL MEMBERSHIP OF THE AGREEMENT. AFTER 30 DAYS' ADVANCE NOTICE, ANY PARTICIPANT MAY WITHDRAW FROM THE AGREEMENT BY MEANS OF AN UNILATERAL DECLARATION.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 EC BRU 01329 091844Z

6. COPIES OF THE PROPOSED MANDATE ARE BEING SENT TO THE FOLLOWING: STATE/ODF- SWART; TREASURY- PELIKAN; EXIMBANK-MINIKES.  
MORRIS

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, CREDIT, REGIONAL ORGANIZATIONS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ECBRU01329  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760049-0458  
**From:** EC BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760269/aaaaciiz.tel  
**Line Count:** 112  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 EC BRUSSELS 1222, 76 EC BRUSSELS 676  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 MAR 2004 by ElyME>; APPROVED <02 AUG 2004 by BoyleJA>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TEXT OF EC COMMISSION REQUEST FOR AUTHORITY TO NEGOTIATE A GENTLEMEN'S AGREEMENT  
**TAGS:** EFIN, ETRD, XT, XX, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006